

## Remarks and Arguments

1. This amendment is in response to the Examiner's Non-Final Action of July 5, 2006.

2. Claims 40 – 42 have been rejected under 35 U.S.C. 112, second paragraph for being indefinite and failing to point out and distinctly claim the subject matter of the claimed invention.

Applicant has amended Claim 40 to provide antecedent basis for the term "receivers" in Line 4 of the claim. Accordingly, Applicant solicits the withdrawal of the rejection of Claims 40 – 42 under 35 U.S.C. 112, second paragraph.

3. Claims 40 has been rejected under 35 USC 103(a) as being unpatentable over US Patent 6,611,201 to Bishop in view of Coffee et al. US Patent 6,611,755 (Coffee).

Applicant examines the basis for this rejection under the guidelines set forth in the Graham factual inquiries as follows:

### Scope and Contents of Prior Art

Applicant notes that the Examiner has set forth a rejection and maintains that Coffee teaches the use of time slots in order to convey signals to a fleet a vehicles (abstract, lines 17 – 22). This is simply not true. The abstract specifically indicates that "each fleet vehicle has an assigned time slot to transmit its reporting information over a communications network without interfering with transmissions from other vehicles". Put plainly, Coffee deals with time slots for feedback, not for a broadcasting mechanism designed to

provide for bandwidth allocation amongst a disparate group of products. In Coffee, the transmission during time slots occurs from the remote devices back to a central station. This is diametrically opposed to Applicants claim to transmit to a group of products during a time slot.

5

Difference Between Claims and Prior Art

It is clear that Coffee does not teach any means to transmit to remote devices during time slots. There is simply no correlation between the time slots in Coffee, which are used to prevent collision of feedback transmissions (i.e. from the vehicle to the central station), to the time slots in Applicants claims. Furthermore, the transmitters in Bishop and Coffee are non-deterministic transmission systems in that these prior art transmission means do not allow a deterministic time during which a transmission can be made to a receiver. Accordingly, a receiver has no means by which to determine when a receiver should be enabled to receive a signal.

10

15

Level of Ordinary Skill

The level of skill has not been established by the Examiner. However, even an engineer skilled in communications systems, which Applicant does not herein concede to be the level of skill in the *pertinent art*, would not look to a system for preventing collision of feedback transmissions for guidance in establishing a bandwidth allocation system that supports power savings on the part of the remote receivers.

20

25

30

Most importantly, the Examiner has failed to establish a prima facie case for obviousness. Here, the Examiner has only identified an amalgamation of elements from two references and makes a blanket statement that "this would be a good way to send information to mobile assets". The Examiner's statement is devoid of logic. First, Coffee does not concern itself with communicating with mobile assets by transmitting in time slots. In Coffee,

5 time slots are used to receive information from mobile assets, not to transmit to them. Second, why would this be a good way to send information to mobile assets? The Examiner puts forth no reasoning to support this statement. In fact, nowhere in Bishop nor in Coffee is there any inspiration to send information to mobile assets in pre-established time slots as Applicant claims.

10 Another deficit in the Examiner's rejection is the fact that the Examiner does not appreciate that the problem Applicant has solved is that of installing a recall receiver in products that do not have a power source. In fact, all of the prior art deals with recalling large products with large power sources (e.g. automobiles). And even in these products, Bishop acknowledges that a backup battery may be needed (Col 16; Lns 5 – 57). This is because the receivers must be on continuously in order to receive a signal.

15 The reality here is this; the Applicant has recognized a problem in that many products could not be reached but for a time slot system where a receiver knows when to wake up to receive the message. The Federal Circuit has often stated that recognition of the problem is, under certain circumstances, the non-obvious aspect of an invention. Here, the only prior art fails to provide any teaching with respect to installation of a receiver in a product that does not have replenishable power source. In fact, such products are not even contemplated as needing product recall receivers.

25 Objective Evidence

The Applicant has described the claimed system on numerous occasions at the International Consumer Product Health and Safety Organization's annual symposium. Professionals in the field acknowledge that the Applicant's system will save lives and prevent injuries and one means to enable such a system in products that do not have some perpetual power source is through

30

the use of time slots. In fact, Applicant is now preparing to deliver receivers that receive product recall signals during a time slot to its first customer, Baby Trend. But for the power saving mechanism of transmission during a time slot, such commercial success would not be achieved. However, this technology will not be made available because investors are not willing to further development of the technology without the issuance of a US patent in this case. In such case, the public will be denied the benefit of this technology.

Applicant attaches hereto a true copy of a memorandum of understanding between ReadyTrace, Inc. (Assignee of the present application) and BabyTrend wherein BabyTrend not only wants the technology, but has bargained for a 6 month period of exclusivity. Other baby product makers are equally anxious to incorporate the technology because of the potential for preventing harm to infants, babies and toddlers.

4. As we have discussed, the Bishop '201 patent cited in the July 5, 2006 Office Action is of interest to recall operations, but it operates entirely differently from Applicant's claimed invention. A primary difference is that Bishop sends out signals that identify one or more relays in a vehicle. Once those relays are tripped they perform whatever operation that they are programmed to perform. In one instance this may effectuate a recall. Thus, every function in the Bishop system must be preprogrammed. Applicant's system, on the other hand, sends recall messages. Moreover, despite the Bishop system being known, no one has conceived of Applicant's system, and the safety industry is most anxious to have Applicant's system available, not only for babies and children, but for everyone.

Applicants system also operates by establishing a plurality of time cycles each of which include a succession of time slots, with different target groups

of product being assigned one or more different time slots, and a target group of products selectively responding to a sensed recall signal only if the recall signal occurs during the time slot assigned to that target group.

5        There is no teaching or suggestion of Applicant's system, as thus claimed, in Bishop. Nor is there any in the cited Parillo '553 patent. The system of the Parillo patent does not deal with recalls, except through the normal post-card method (col. 5, lines 40-42), does not even provide a notice to car users, only communicates with one car at a time (col. 3, lines 46-50) (only to sense the  
10       car's condition or supply updates, not to provide a notice to a car user), does not deal with time slots in any real sense -- except to block communication at night or the like (col. 4, lines 60-68), and otherwise has no relation to Applicant's claimed invention.

15       5. Bishop can not be combined with any other reference because a modification to Bishop would prevent the apparatus and method of Bishop to be used for its intended purpose. It is settled law that modification of a reference in a manner such that it can not longer be used for its intended purpose precludes the use of that reference to support a rejection under 35 USC 103.

20       Here, Bishop is intended to control functions in a vehicle (Col 1; Lns 53 – 56). And such control is intended to be on an on-demand basis. This is apparent from the intended uses of Bishop. For example, Col 6 ; Lns 34 – 37 teaches that a starter can be disabled. In normal operation, this is used to prevent  
25       use of a vehicle when payment to a lender is not timely made (Col 12; Lns 48 – 67). Since the Bishop system is needed to re-enable the starter, it must be capable of enabling the starter whenever a payment is then made and such re-enablement can not be forestalled in order to wait for a time slot that is associated with a product identifier.

30

In another use for Bishop, Bishop is used to unlock a door when an owner locks their keys in the car ( Col 13; Lns 17 – 21). This is just another real time application of Bishop. Again, if Bishop were to be modified in the manner suggested by the Examiner (i.e. transmitting during time slots), then Bishop could not be used in such real time applications.

Applicant hereby urges the Examiner to exclude Bishop from any rejections of the pending claims under 35 USC 103 because modification of Bishop precludes the use of Bishop for its intended purpose.

6. All of the pending claims now distinguish patentably from the Bishop and Parillo patents, or a combination of them, by calling for a particular time slot wherein a notice message is sent. Applicant's claims call for establishing one or more time slots during which a recall signal can be received.

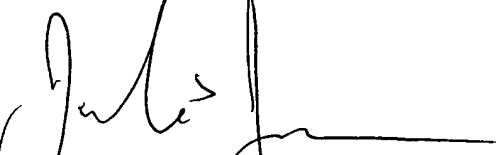
7. For the foregoing reasons, it is urged that this application is in condition for allowance. If the Examiner has any questions, it is requested that he contact Jack J'maev at 909-437-8390. Applicant thanks the Examiner again for his careful attention to this application.

Also, it is urged that this application be treated expeditiously. Many people are interested in applicant's invention, including health and safety personnel, a large broadcaster, a chip manufacturer, several major retailers and various investors. Applicant would be pleased to make the invention available to the public as soon as possible so as to save lives and prevent injuries--and this will become a possibility once the patent coverage to protect Applicant's invention has been ensured.

Appl. No. 10/615,345  
Amendment Date: January 5, 2007  
Reply to Office Action of July 5, 2006

8. Lastly, Applicant thanks the Examiner for his courtesies in relation to this application and for his efforts in locating and presenting all of the prior art that he considers relevant.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jack I. J'maev', written over a horizontal line.

Jack I. J'maev  
Attorney for Applicant  
Reg. No. 45,669

Intellectual Property Development

Customer Number 000054556

14175 Telephone Ave. Suite L

Chino, CA 91710

909-563-8400



## Memorandum of Understanding

### ReadyTrace and Baby Trend

#### 1. Parties

The Parties to this Memorandum of Understanding (MOU) are:

ReadyTrace, Inc., A California Corporation having a primary business address of 11800 Central Ave., No. 110, Chino, CA 91710; and

BabyTrend, Inc., A California Corporation having a primary business address of 1567 S. Campus Ave., Ontario, CA 91761.

#### 2. Purpose

This MOU, first and foremost, does not constitute a binding contract between the Parties identified above. The Parties identified above do not intend to be bound to perform any duties by execution of this MOU and as such neither of the Parties either owes a duty to the other Party nor do any benefits inure to either Party by execution of this MOU. The purpose of this MOU is limited to an expression of understanding with respect to expectations each Party has as the Parties move forward into a business relationship. The purpose of this MOU further includes an intention to provide a General Release with respect to one or more press releases to be released by the Parties. By execution of this MOU, and under the terms of such release as further described *infra*, the Parties understand and agree that such press releases are mutually beneficial.

#### 3. Expectations

##### a. Technology Advancement

The Parties recognize and mutually express their interest in advancing a new recall technology now under development by ReadyTrace, Inc. This technology, which is known as "product centric" recall, provides for the integration of a low-cost receiver module in various products. When a manufactures, e.g. such as BabyTrend, Inc., needs to communicate a message to a product user, a signal containing the message is transmitted to the receiver module. The receiver module is known as a Product Notice Receiver (PNR).



# Objective Evidence 10/615,345 Amendment of Jan 5, 2007

## Memorandum of Understanding ReadyTrace and Baby Trend

### b. Working Relationship

BabyTrend, Inc. is desirous of exploring the possibility of integrating a PNR device in certain of its products. BabyTrend, Inc. recognizes that there are many benefits that could result through the use of a more effective recall mechanism. ReadyTrace, Inc. is desirous of marketing PNR devices in the Juvenile Product Industry. In order to effectively market PNR devices into the Juvenile Product Industry, ReadyTrace, Inc. perceives the need for a "launch customer". By establishing a working relationship with BabyTrend, Inc. as such a launch customer, ReadyTrace, Inc. hopes to learn more about the Juvenile Product Industry as a whole and, more specifically, ReadyTrace, Inc. hopes to gain design knowledge with respect to the integration of PNR devices into various juvenile products. The Parties recognize that there is a mutual benefit to support the advancement of the ReadyTrace technology and each of the Parties will move in good faith to support on a best-effort basis the free-flow of design information relative to the inclusion of a PNR device into various types of juvenile products. Again, in the spirit of this MOU, neither Party owes any specific duty to the other Party. Any support provided by one Party to another Party shall be provided without an expectation of remuneration. At any time, either Party may choose not to provide such support if that Party perceives that the act of providing such support is not in that Party's best interest and the Party requesting such support will not be entitled to any legal or equitable remedy. All technical information provided by either Party will be provided under a mutual non-disclosure agreement to be executed by the Parties at a later date.

### c. Target Products

The Parties recognize that the cost of integrating a PNR device into a target product may preclude the wide spread use of PNR devices in the Juvenile Product Industry. None the less, the Parties continue to believe that certain classes of products warrant the use of PNR devices. For example, child restraint systems used in automobiles are one class of product that appears to benefit from the use of a PNR device based on the potential harm that can occur when a recall product is not removed from service. Other products may

# Objective Evidence 10/615,345 Amendment of Jan 5, 2007

## Memorandum of Understanding ReadyTrace and Baby Trend

also merit the use of a PNR device. The Parties recognize that it is in their mutual interest to identify specific classes of products that are good candidates for the new product centric recall technology. ReadyTrace, Inc. recognizes that the identification of candidate products supports higher future PNR sales volume. BabyTrend, Inc. recognizes that there is a potential for reduced product liability as PNR devices are used in a wider variety of products.

The Parties recognize that various competing factors will need to be evaluated with respect to the application of a PNR device in a particular class of product. Some examples of such factors include, but are not limited to:

- i. Consumer Acceptance;
- ii. Ease of Design-In;
- iii. Probability of Recall;
- iv. Liability Exposure;
- v. Price of the Product;
- vi. Manufacturer's Image; and

# Objective Evidence 10/615,345 Amendment of Jan 5, 2007

- vii. Perceived Value.

Because the Parties have yet to identify specific classes of products that are candidates for use of a PNR device, the Party hereby expresses only a desire to integrate a PNR device in:

- i. child restraint systems for use in automotive applications; and
- ii. Infant and Toddler Play-Yards (a.k.a. Play-Pens).

The Parties do express a mutual interest in furthering an investigation tailored to identify the viability of PNR usages in a wide range of product classes including, but not limited to:

- i. Backpacks;
- ii. High Chairs;
- iii. Jogging Strollers;

# Objective Evidence 10/615,345 Amendment of Jan 5, 2007

## Memorandum of Understanding ReadyTrace and Baby Trend

- iv. Rockers;
- v. Strollers;
- vi. Swings;
- vii. Travel Systems; and
- viii. Walkers.

### d. Publicity

The Parties recognize that there are benefits to be gained by each Party through mutual act of publicity such as industry press releases, public press releases and general advertising to the consuming public. From the perspective of industry and public trade releases, both Parties believe that such press releases will help to improve product awareness in hopes of increases sales of BabyTrend, Inc. products and furtherance of acceptance of PNR devices in the Juvenile Product Industry. With respect to consumer targeted advertising, ReadyTrace, Inc. intends to conduct a consumer awareness campaign. The purpose of the consumer awareness campaign is to dispel any notions that a ReadyTrace, Inc. Equipped product is somehow defective. The desired result is to sway consumer opinion toward the notion that a manufacturer that uses the ReadyTrace system is a safety-conscious company that really cares about the consumer. In order to conduct such a consumer awareness campaign, ReadyTrace, Inc. intends to sponsor advertisements in print and television featuring ReadyTrace's spokesman, Richard Karn.

The Parties understands and perceive a mutual benefit from such a consumer awareness campaign. Accordingly, ReadyTrace, Inc. intends to feature BabyTrend, Inc. products and to portray BabyTrend, Inc. as a progressive, safety-conscious manufacturer of juvenile products. ReadyTrace, Inc. does not intend to impose any charge upon BabyTrend, Inc. for featuring Baby Trend products in the consumer awareness campaign it intends to conduct.

## Memorandum of Understanding ReadyTrace and Baby Trend

Both Parties acknowledge the right of the Other Party to approve a press release, either industry or public, or an advertisement prior to dissemination to a third party. Approval of a press release or an advertisement will be by means of a separate release letter for each such press release or advertisement. The Parties again acknowledge a good-faith approval of a press release or advertisement and in the event an approval is not given, the Party requesting such approval will not be entitled to any legal or equitable remedy.

### e. Limited Exclusivity

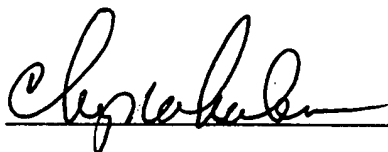
Baby Trend is desirous of being the first juvenile product manufacturer to provide product that is "ReadyTrace Equipped". As such, ReadyTrace, Inc. intends to provide a limited period of exclusivity to BabyTrend, Inc. The terms of exclusivity is anticipated to last six months from the initial introduction of ReadyTrace Equipped Baby Trend product into the stream of commerce. The terms of exclusivity is further anticipated to include a period where ReadyTrace will not feature products by other juvenile product manufacturers in the consumer awareness campaign. This period is anticipated to last one year from the time when ReadyTrace Equipped Baby Trend product is introduced into the stream of commerce.

Memorandum of Understanding  
ReadyTrace and Baby Trend

By:

Chip Whalen

General Manager, Baby Trend, Inc.



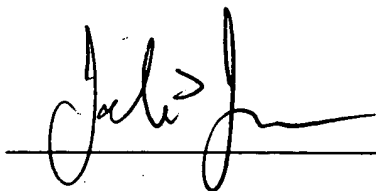
Signature

5/3/04

Date

Jack J'maev

President and CEO, ReadyTrace, Inc.



Signature

5/3/04

Date